

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

DATE: **June 15, 2010**

RE: **Analysis Report**

Balances As Of:	<u>6/9/10</u>	<u>6/10/09</u>
<u>GSD 4% RESERVE FUND</u>	* \$13,232,956	\$5,842,251
<u>GENERAL FUND UNDESIGNATED FUND BALANCE</u>		
GSD	\$22,157,286	\$17,889,167
USD	\$22,180,965	\$13,510,632
<u>GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE</u>		
	\$27,354,569	\$41,740,740

* Assumes estimated revenues in fiscal year 2010 in the amount of \$23,023,700

– RESOLUTIONS –

RESOLUTION NOS. RS2010-1228 THROUGH RS2010-1230 – These three resolutions amend the pay plan for the employees of the Metropolitan Government, with the exception of the board of education, to delay increment raises for another year beginning July 1, 2010, in accordance with the mayor’s proposed fiscal year 2011 operating budget, and to provide a one time 2% bonus to be paid in August 2010 for all Metro employees working a minimum of 32 hours per week. The amount of the bonus would be capped at \$2,000.

The council approved a freeze of the increment pay increases and longevity pay as part of the fiscal year 2010. Although no real growth in tax collections is anticipated for fiscal year 2011, the debt restructuring approved by the council on May 18, 2010, will allow sufficient funds to pay the one time bonus, as well as a restoration of employee longevity pay.

In addition, these resolutions would adopt a minimum hourly rate of \$10.77 for full-time employees of the Metropolitan Government. The lowest listed hourly rate in the current pay plan is \$7.72, although there do not appear to be any full-time employees making this amount. According to the department of human resources, this hourly rate increase will impact 14 employees (not including the hospital authority employees), at a total annual cost to Metro of approximately \$7,369. The pay plan amendments also includes language specifying that new full-time employees will be hired at not less than an hourly rate in the pay grade that is closest to the minimum wage, which is to be reviewed by the director of human resources periodically to recommend adjustments to the civil service commission as necessary. The resolutions encourage all other Metropolitan Government boards and agencies not covered by the Metro pay plan to adopt similar wage provisions.

These resolutions provide that the increments will be reinstated effective July 1, 2011. The pay plans may not be amended by the council except by making uniform changes, as the relationship between pay grades must remain the same. These resolutions have been approved by the civil service commission, the health board and the mayor.

Resolution No. RS2010-1228 (Barry, Steine & Others) approves the amendment to the pay plan for general employees of the Metropolitan Government.

Resolution No. RS2010-1229 (Barry, Steine & Others) approves the amendment to the pay plan for employees of the fire and police departments.

Resolution No. RS2010-1230 (Maynard, Barry & Others) approves the amendment to the pay plan for the board of health employees.

RESOLUTION NO. RS2010-1245 (MOORE, LANGSTER & OTHERS) – This resolution authorizes the mayor to submit an amendment to the 2010-2011 annual update to the consolidated plan for housing and community development programs for the Metropolitan Government to the U.S. department of housing and urban development (HUD). The Metropolitan development and housing agency (MDHA) prepares and submits the five year plan and the annual updates, and is responsible for administering the plan. The plan includes the allocation of funds received from HUD for community development block grants (CDBG) and the HOME investment partnerships program. The current plan was approved by the council in January 2010.

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RESOLUTION NO. RS2010-1245 (continued)

This plan amendment provides for a reallocation of the federal funding to respond to the recent flood disaster. Since many of the households impacted by the flood are eligible for assistance under the CDBG and HOME programs, MDHA is seeking to amend the plan to provide \$5,900,936 for disaster recovery activities. A document prepared by MDHA comparing the previous funding allocation with the new allocation is attached to this analysis.

RESOLUTION NO. RS2010-1246 (STEINE & BAKER) – This resolution approves a grant in the amount of \$25,000 from the Tennessee administrative office of the courts to the state trial courts for interpreter services for indigent defendants with limited English proficiency. The interpreter services to be provided through this grant will only be available to those indigent defendants involved in a legal proceeding in which they have a constitutional or statutory right to appointed counsel. The term of the grant is from July 1, 2010 through June 30, 2011.

RESOLUTION NO. RS2010-1247 (STEINE & BAKER) – This resolution approves a renewal of a grant in the amount of \$4,097,460 from the state board of probation and parole to the state trial courts to fund the Davidson County community corrections program. This program provides alternative punishments for non-violent offenders consisting of offender supervision, residential programs, and day reporting center programs. The goal of the grant is to limit the recidivism rate to 10% for those offenders completing the community corrections program. The state trial courts are to collect a \$15 per month fee from participants, which will be used to offset sums due under the grant. The term of the grant is from July 1, 2010 through June 30, 2013.

RESOLUTION NO. RS2010-1248 (CLAIBORNE) – This resolution approves the amended charter and bylaws for the newly-created Nashville Education, Community and Arts Television Corporation (NECAT). NECAT was created by Ordinance No. BL2010-614 in February 2010 to consolidate the various education, community, and arts television functions under one entity. The ordinance required NECAT to submit an amended and restated corporate charter for approval by resolution of the council within 120 days after the effective date of the ordinance.

The provisions in the charter and bylaws are fairly standard. The documents essentially spell out the purpose and responsibilities of NECAT and its board, which is to oversee the program production and management of the education, arts, and community access channels. The board is charged with developing additional sources of funding for NECAT and promoting the use of the channels.

RESOLUTION NO. RS2010-1249 (BAKER & STEINE) – This resolution approves a grant in the amount of \$840,333 from the U.S. department of homeland security to the Metropolitan fire department for equipment to enhance the safety of firefighting personnel. These funds will be used to train certain firefighters as hazardous material technicians, to provide safety training for all firefighters, and to purchase hazardous materials detection equipment and safety gear. The term of the grant is from April 23, 2010 through April 22, 2011.

RESOLUTION NO. RS2010-1250 (STEINE & BAKER) – This resolution approves an annual grant in the amount of \$182,000 from the Tennessee emergency management agency to the Metropolitan Government to subsidize the Metro emergency management program. These funds will be used to conduct training programs and disaster exercises. The term of the grant is from October 1, 2009, through September 30, 2010.

RESOLUTION NO. RS2010-1251 (BAKER & STEINE) – This resolution approves a grant in the amount of \$1,638,064.97 from the Tennessee emergency management agency to the Mayor's office of emergency management to support the ongoing efforts to prevent, respond to, and recover from incidents of terrorism. These federal pass-through funds are used to pay for training exercises, planning, and equipment purchases allowable under the Homeland Security grant program. The term of the grant is through May 31, 2012.

RESOLUTION NO. RS2010-1252 (TYGARD & STEINE) – This resolution approves a grant in the amount of \$45,814 from the Susan G. Komen Breast Cancer Foundation to the Metropolitan board of health for the Witness Project of Davidson County. The Witness Project is a volunteer organization of breast and cervical cancer survivors to increase awareness among African American women regarding the importance of regular cancer screenings. These funds will be used to provide mammograms, equipment and educational materials. The project seeks to reach 800 women over the age of 40 through churches and other community forums. The term of the grant is through March 31, 2011.

RESOLUTION NO. RS2010-1253 (TYGARD & STEINE) – This resolution approves a contract between the Metropolitan board of health and the Pencil Foundation for the processing of stipends to the youth public health institute. The total amount of the stipends to be provided is \$11,500, broken down as follows:

- 150 student participants at \$50 each totaling \$7,500
- 10 educator participants at \$100 each totaling \$1,000
- 6 Metro Nashville public schools health science academies at \$500 each totaling \$3,000

The Pencil Foundation will receive and process the applications for the stipend program, and will dispense the stipends to the youth public health institute participants upon request of the health department. Metro will verify that the participants are eligible for the stipend program. The term of the contract is from May 1, 2010 through September 27, 2010.

RESOLUTION NO. RS2010-1254 (TYGARD & STEINE) – This resolution approves an amendment to a grant from the U.S. department of health and human services to the Metro board of health to enhance access to community-based care for low income individuals and families with HIV. These grant funds are used to provide a number of medical and support services for HIV patients. This resolution approves a \$1,254,120 increase in the amount of the grant, for a new grant total of \$4,611,727.

RESOLUTION NO. RS2010-1255 (STEINE & TYGARD) – This resolution approves a grant in the amount of \$905,400 from the state department of health to the Metropolitan board of health for sexually transmitted disease services and HIV/AIDS prevention and surveillance. This is an annual grant that pays the salaries of the health department employees that provide these services. Pursuant to the grant agreement, the funds are to be used for HIV prevention, active surveillance of HIV/AIDS cases, diagnostic and treatment services, and disease intervention services.

The term of this grant is from January 1, 2010 through December 31, 2010. This grant consists of \$827,600 in federal funds and \$77,800 in state funds.

RESOLUTION NO. RS2010-1256 (STEINE & TYGARD) – This resolution approves a grant in the amount of \$296,768 from the state department of agriculture to the Metropolitan health department for retail food store inspection, reporting, and enforcement. The health departments in urban areas provide these inspection services on behalf of the state. These funds will cover the inspection of retail food stores in Davidson County every six months. The term of this grant is from January 1, 2010, through December 31, 2011.

RESOLUTION NO. RS2010-1257 (STEINE & TYGARD) – This resolution approves an amendment to an annual grant from the state department of health to the Metro health department for operation of the Women, Infants and Children (WIC) program in Nashville to provide nutritious food to low-income women, infants, and children. These federal pass-through funds are used to pay the salaries and benefits of the health department employees administering the WIC program. This resolution approves an increase in the amount of the grant by \$163,100, for a new grant total of \$2,854,200.

RESOLUTION NO. RS2010-1258 (STEINE) – This resolution modifies the existing master list of architectural and engineering firms to add four firms. The Metro Code provides that all government contracts for architect and engineering services be with firms included on the master list. This resolution simply adds the firms to the master list so that they will be eligible to bid on Metro projects. It does not mean that contracts will be awarded to the firms. The architect/engineering firms to be added to the list are as follows:

- American Engineers, Inc. of Glasgow, KY
- Chasm Architecture, LLC of Nashville, TN
- ESC Southeast, LLC of Nashville, TN
- KHAFRA of Chattanooga, TN
- Orchard, Hiltz & McCliment, Inc. of Gallatin, TN
- Smith Gee Studio, LLC of Nashville, TN
- Studio 8 Design – Matt Taylor, Architect, PLLC of Nashville, TN

RESOLUTION NO. RS2010-1259 (STEINE & HUNT) – This resolution approves an application for financial assistance from the U.S. department of agriculture under the emergency watershed protection program to repair watershed damage caused by last month's flood. Federal funds are available under this program to assist with debris removal, as well as infrastructure repairs. Metro will be responsible for providing a 25% in-kind match. The application letter does not specify the amount of funding requested.

RESOLUTION NO. RS2010-1260 (LANGSTER & HUNT) – This resolution approves a housekeeping amendment to Ordinance No. BL2010-646 that abandoned three utility easements held by the department of water and sewerage services for property located at 2312 Clifton Avenue. The ordinance approving the abandonment included an incorrect instrument number. This resolution simply corrects the instrument number to avoid any problems that may arise at closing. Ordinance No. BL2010-646 provides that amendments to the legislation may be approved by resolution.

RESOLUTION NO. RS2010-1261 (STEINE) – This resolution authorizes the department of law to compromise and settle the lawsuit of Sam Glover, Jr., and Wackenhut Corporation against the Metropolitan Government for the amount of \$69,500. On June 6, 2006, Mr. Glover, who was employed by Wackenhut and stationed in the Ben West Building, was carrying some boxes for a judge at the request of his supervisor when he fell on an outdoor staircase that was missing some bricks on the last step. Mr. Glover fractured his ankle and underwent three surgeries, incurring medical bills totaling \$78,903.10 and lost wages in the amount of \$8,377.30. The staircase in question was frequently used by Metro employees, and one witness stated in her deposition that she reported the condition to general services at least a month prior to the accident.

The fall occurred during the construction of the A.A. Birch Building, which was constructed by Ray Bell Construction Company. The contract with Bell Construction required the company to keep the exit passages from the Ben West Building clear at all times. However, the language in the contract is vague as to whether this included keeping the stairs in good repair. Further, there is some question as to whether the accident occurred in an area under the control of Bell Construction.

Mr. Glover filed suit against Metro and Bell Construction, and Wackenhut filed an intervening complaint to recover its subrogation interest for workers' compensation paid. The case was mediated, which resulted in a recommended settlement of \$69,500 paid by Metro and \$60,000 paid by Ray Bell Construction. It is likely a court would determine Metro had constructive notice of the defective steps and failed to take corrective action. Given the substantial amount of medical bills and lost wages, the department of law recommends approving the settlement amount reached at mediation. This amount is to be paid from the self-insured liability fund.

RESOLUTION NO. RS2010-1262 (STEINE) – This resolution authorizes the department of law to compromise and settle the personal injury claim of Nickey McGuire against the Metropolitan Government for the amount of \$19,000. On May 11, 2007, a Metro police detective driving a Metro-owned vehicle became distracted and struck the rear of a vehicle driven by Ms. McGuire who had slowed for traffic on the Briley Parkway entrance ramp from Murfreesboro Road. Ms. McGuire sustained a central disk protrusion in the lower back incurring \$7,321.50 in medical bills and \$581.28 in lost wages.

The department of law recommends settling this claim for \$19,000 since the Metro employee was clearly at fault. This amount is to be paid from the self-insured liability fund. The Metro employee involved received disciplinary action consisting of a written reprimand.

- BILLS ON SECOND READING -

ORDINANCE NO. BL2010-691 (HOLLIN) – This ordinance amends the beer permit requirement provisions in the Metro Code to exempt restaurants that already have a state on-premises liquor consumption license from Metro's minimum distance requirements to obtain a beer permit. The code currently prevents a beer permit from being issued to an establishment located within 100 feet of a church, school, park, daycare, or one or two family residence. However, in 2003, the council enacted Substitute Ordinance No. BL2003-1353 establishing an exemption from the minimum distance requirements for restaurants located on property subject to a planned unit development (PUD) that already have a state on-premises liquor consumption license. Substitute Ordinance No. BL2003-1353 was essentially a compromise bill in an effort to provide a mechanism for restaurants with a state liquor license to obtain an on-sale beer permit without meeting the established distance requirements in the code. Pursuant to state law, the Tennessee alcoholic beverage commission can take the applicant's location into consideration when determining whether to grant a license for on-premises consumption, but no set distance requirements are included in the state law.

This ordinance would exempt any restaurant possessing a valid license issued by the state alcoholic beverage commission for on-premises liquor consumption from the Metro beer permit distance requirements. The ordinance incorporates the state law definition of "restaurant", which includes eating establishments with seating capacity of at least 75 people at tables, or gourmet restaurants with a seating capacity of at least 40 people.

ORDINANCE NO. BL2010-695 (MITCHELL, STEINE & OTHERS) – This ordinance ratifies the state enabling legislation to permit property taxes for properties damaged by the May 2010 flood to be prorated. Under the current law, if a building is destroyed or substantially damaged (meaning more than 50% damage) by a disaster between January 1 and September 1, and is not restored prior to September 1 of that same year, then the assessor of property is to base the tax assessment on the damaged property for the portion of the year in which it was damaged. However, if such building or structure is rebuilt prior to September 1, there is no prorata assessment benefit.

The Tennessee General Assembly recently enacted enabling legislation to allow local governments affected by the flood to prorate assessments on the destroyed or substantially damaged property even if the restoration is completed prior to September 1. This prorated assessment will apply to any structure that received at least 50% damage or is unfit for human occupancy as a result of the flood and not restored within 30 days. It is estimated that this will have a \$20 million impact on Metro property tax revenues.

The state enabling legislation requires that this ordinance be approved by at least 27 affirmative votes in order to become effective.

ORDINANCE NOS. BL2010-696 and BL2010-697 – These two ordinances abandon portions of rights-of-way that are no longer needed for government purposes. Metro will retain all easements. Consent of the affected property owners is included as an attachment to the ordinances. These ordinances have been approved by the planning commission and the traffic and parking commission.

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ORDINANCE NOS. BL2010-696 and BL2010-697 (continued)

Ordinance No. BL2010-696 (Barry) abandons a portion of Acklen Avenue and Alley #436 between 15th Avenue North and a dead end. This closure has been requested by Belmont University to allow for additional improvements on the campus consistent with the Belmont institutional overlay district. This portion of Acklen Avenue is to remain open for public vehicular access for as long as Alley #436 is open to vehicular access. Further, vehicular access will be maintained during the construction phase either through 115th Avenue North or a temporary alley.

Ordinance No. BL2010-697 (Jameson & Hunt) abandons a portion of Shelby Avenue located at 501 South 1st Street. This closure has been requested by the department of public works in order to clear up a portion of the stadium plat to facilitate the east bank park development.

– BILLS ON THIRD READING –

SUBSTITUTE ORDINANCE NO. BL2010-637 (HUNT & TOLER) – This ordinance amends the restrictions in the zoning code to allow recycling operations at recycling facilities to be conducted outdoors. The zoning code only allows recycling facilities as a use permitted with conditions (PC) use in the industrial districts. A recycling facility is defined in the zoning code as any facility that separates, processes, converts, treats, or otherwise prepares non-putrescible waste for recycling. Non-putrescible waste consists of material that is not capable of decomposing. Such facilities are required to meet certain conditions in order to operate as a recycling facility. These conditions include the following:

1. A minimum lot size of one acre;
2. A building setback of at least 150 feet from a residential zoning district or legally occupied residential structure;
3. Driveway access can be from a local street as long as the street is not bounded by any residential zoning district from the driveway to an intersection with a collector or major street;
4. Opaque fencing at least eight feet in height is required along all zoning districts permitting residential uses. For facilities not adjacent to zoning districts permitting residential uses, the entire facility must be enclosed by an eight-foot tall chain link fence;
5. All sorting and separation activity must take place within an enclosed structure;
6. The enclosed areas of recycling facilities must have concrete floors, and high traffic areas around the facilities must be paved;
7. The hours of operation are limited from 7:00 a.m. to 6:00 p.m. for any facility adjacent to a zoning district permitting residential uses; and
8. Light and glare must be directed on-site for facilities adjacent to a zoning district permitting residential uses.

The requirement that the recycling operations take place entirely within an enclosed structure has acted as a barrier to the opening of these facilities, which has likely resulted in more debris being taken to landfills.

This ordinance would delete the requirement in the Zoning Code that the compacting, sorting, processing or storage of materials at recycling facilities take place entirely within an enclosed building unless the facility is located within 1,000 feet of certain residentially-zoned districts. It is important to point out that under this substitute only a small number of sites in Davidson County would be eligible for outdoor recycling. Most of these available sites are located in the Cockrill Bend, Omohundro, and Sidco industrial areas.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2010-647 (JERNIGAN) – This zoning text change would designate “manufacturing, medium” as a use permitted with conditions in the industrial zoning districts, as opposed to permitted by right. The zoning code currently makes a distinction among three types of manufacturing activity: light, medium, and heavy. Medium manufacturing is defined in the zoning code as “the processing and manufacturing of materials or products predominately from extracted or raw materials.” Medium manufacturing uses allow for the outdoor assembly and storage of products. This use is only permitted in the IR (industrial restrictive) and IG (industrial general) zoning districts.

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ORDINANCE NO. BL2010-647 (continued)

This ordinance would make medium manufacturing a use permitted with conditions in the IR and IG districts, with the only condition being that an opaque fence be installed if any materials stored outdoors would be visible from any residentially-occupied property. This ordinance would also prohibit the stacking of materials higher than the opaque fence.

This ordinance has been approved by the planning commission with a recommended amendment.

ORDINANCE NO. BL2010-648 (JERNIGAN) – This zoning text change would allow inflatable “stick people” for advertising purposes in the commercial zoning districts. The zoning code essentially defines a sign as any writing, picture, flag, banner, or inflatable structure used to direct attention to something. The code expressly prohibits signs that are subjected to pressure by wind. Thus, the happy inflatable stick people seen flying at commercial businesses are technically not allowed by the zoning code.

This ordinance would allow these inflatable advertising figures as long as they are attached to a fixed base, do not exceed twenty feet in height, are not located within 1,000 feet of a residential structure, and are only displayed during daylight hours. Further, all such inflatable figures would have to be kept in a good state of repair with a properly-functioning blower motor and arms that aren't tattered.

There is a proposed amendment that would restrict the number of inflatable advertising figures to one per parcel.

This ordinance has been approved by the planning commission.

ORDINANCE NO. BL2010-679 (RYMAN) – This ordinance amends the building and mechanical code provisions pertaining to clothes dryer exhaust ducts. The ordinance would set a maximum length of 35 feet, which is to be reduced by 2.5 feet for each 45° angle and 5 feet for each 90° angle. The ordinance also includes an exception for dryer ducts installed in accordance with the dryer manufacturer's instructions as long as those instructions have been provided to the codes department.

ORDINANCE NO. BL2010-680 (STEINE & RYMAN) – This ordinance approves an agreement between the Nashville farmers' market and Vanderbilt University Medical Center for the use of the courtyard between Langford Auditorium and the medical center as an auxiliary farmers' market site. Under this agreement, the farmers' market will have the right to operate a market between May 27, 2010, and October 28, 2010. Metro will be responsible for keeping the premises and the common area within twenty-five feet of the premises in a clean condition. There is no rental amount associated with this agreement. Future amendments to this agreement are to be approved by the council by resolution.

ORDINANCE NO. BL2010-681 (STEINE & BAKER) – This ordinance approves a renewal of a contract between the Metropolitan Government and the Tennessee Coalition Against Domestic and Sexual Violence to provide enhanced victim notification services. The U.S. Department of Justice has awarded a grant to the Tennessee Coalition Against Domestic and Sexual Violence to implement a victim information and notification system. Pursuant to this contract, the sheriff’s office will provide the Coalition and its contractor (Appriss, Inc.) with access to its facilities for maintenance of the victim notification system and training of personnel necessary to operate the system. There will be no cost to Metro to participate in this program. The term of the contract is from July 1, 2010, through January 1, 2014.

ORDINANCE NO. BL2010-682 (BAKER) – This ordinance abandons a portion of 43rd Avenue North from Georgia Avenue to the railroad right-of-way, and abandons a portion of Alley No. 1203 from 43rd Avenue North to 44th Avenue North. These portions of right-of-way are no longer needed for government purposes. Metro will retain all easements. Consent of the affected property owners is attached to the ordinance. This ordinance has been approved by the traffic and parking commission and referred to the planning commission.

ORDINANCE NO. BL2010-683 (STEINE) – This ordinance is the operating budget of the Metropolitan Government for the Fiscal Year 2010-2011. The budget filed by the mayor provides for the following proposed funding:

• General Fund of the General Services District	\$ 700,682,100
• Schools Fund of the General Services District	633,342,600
• Schools Debt Service Fund	32,417,300
• Debt Service – General Services District	90,029,800
• Interfund Transfers	<u>(53,555,300)</u>
TOTAL GENERAL SERVICES DISTRICT BUDGET	\$1,402,916,500
• General Fund of the Urban Services District	\$ 105,719,000
• Duplicated By Interfund Transfers	<u>15,427,000</u>
TOTAL URBAN SERVICES DISTRICT BUDGET	\$ 121,146,000
TOTAL OPERATING BUDGET	\$1,524,062,500

The substitute budget adopted by the council for the current fiscal year is \$1,542,162,700. The mayor’s proposed budget is an overall decrease of \$18,100,200 (-1.2%) compared to the fiscal year 2010 budget.

No funds are appropriated for use from any unappropriated fund balance. For the current fiscal year, \$12,431,400 was appropriated from the schools fund balance and \$23,565,000 from the schools debt service fund balance for the benefit of Metro schools. Appropriating funds from the schools reserve fund in fiscal year 2011 is not an option since it would cause the fund to drop below the 3% minimum required by state law.

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ORDINANCE NO. BL2010-683 (continued)

No increase in the GSD general fund or the USD general fund property tax rate is being requested. The companion ordinance setting the tax levy for FY 2010-2011 will specify the same rates for each fund that are in effect this fiscal year. However, the budget ordinance shifts funds from the debt service funds to the operating funds as a result of the debt restructuring approved by the council on May 18, 2010. This debt restructuring resulted in the lowering of debt service payments over the next three years in order to free up these funds for operating expenses.

Resolution R89-959 established the requirement that the GSD General Fund, the USD General Fund, and the General Purpose School Fund maintain a fund balance equal or greater than 5% of the budget. This requirement was expanded per OMB Policy #8 on July 1, 2006 to include the three primary budgetary debt funds in addition to these operations funds. The mayor's proposed budget is projected to result in the following fund balance percentages by June 30, 2011:

- General Fund of the General Services District 4.0%
- Debt Service – General Services District 2.2%
- Schools Fund of the General Services District 3.6%
- Schools Debt Service Fund 40.1%
- General Fund of the Urban Services District 7.6%
- Debt Service – Urban Services District 32.4%

The proposed budget includes \$11,122,300 in the GSD General Fund and \$1,035,400 in the USD General Fund for payments to Metro employees over and above the base salaries. This includes a one-time bonus of 2% for all Metro employees working a minimum of 32 hours per week, and a restoration of longevity payments for those Metro employees who qualify. However, a continuation of the increment pay suspension is proposed for FY2010-2011. Amendments to the three pay plans to provide for the 2% bonus and the increment freeze are the subject matter of Resolution Nos. RS2010-1228 through RS2010-1230.

A small portion of the budget appropriations (\$588,000) is contingent upon increased revenues generated by updated or new fees to be approved by the Metro Council, as follows:

- Transportation Licensing Fees \$54,000
- Traffic School Fees \$484,000
- State Trial Court Fees \$50,000

One of the most substantive changes initiated in the substitute FY2008-2009 budget was the elimination of certain "internal service fees". The remaining internal service fund functions were continued in the budget for FY2009-2010 and are proposed to be continued in FY2010-2011. These functions are as follows:

- Information Technology Services
- Fleet Management
- Facilities Maintenance
- Radio Shop
- Postal
- Surplus Property (e-Bid)

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ORDINANCE NO. BL2010-683 (continued)

The proposed fiscal year 2011 budget includes the same mechanism for appropriating grants to non-profit organizations as the previous two budgets. In addition to a small number of direct contributions to non-profit agencies, the proposed budget for FY2010-2011 would award funds to other agencies that best meet the priorities of the city from three categories. They are as follows:

- Domestic violence agencies \$675,000
- Education and afterschool care \$675,000
- Miscellaneous community agencies \$450,000

The budget includes reductions averaging approximately 1.4% for the general fund departments. The average reduction by service grouping is as follows:

- Public Safety 1.0%
- Elected Officials 2.1%
- All Other 2.1%

These reductions are projected to result in few, if any, employee layoffs. The final number of layoffs is still to be determined.

The elimination of all travel, tuition, and registration expenses from departmental budgets are proposed to be continued for FY2010-2011. An appropriation of \$225,000, compared to \$350,000 for FY2009-2010, is included to pay for essential travel that may occur during the year. All travel would be required to be approved by the finance director's office to access these funds.

New stormwater fees went into effect on July 1, 2009. This made it possible for the budget to provide for stormwater funding of \$14,827,700 in FY2009-2010. This has been reduced to \$13,680,000 for stormwater operations in FY2010-2011.

In recent years, a portion of the hotel occupancy tax proceeds has been used to fund various agencies and programs that are somewhat tied to tourism. However, these hotel occupancy tax funds are now dedicated to building the new convention center. The agencies that were funded in FY2010 through the \$12,000,000 hotel occupancy tax fund appropriation are to be funded through the general fund in the proposed FY2011 budget.

This budget includes a subsidy of \$43,190,700 for the hospital authority, which is an increase of \$1,500,000 over the appropriation of \$41,690,700 for FY2009-2010. In addition, a supplemental appropriation in the amount of \$2,239,200 was made by Resolution RS2010-1183 due to the cash flow problems being experienced by the hospital authority this spring.

Other significant increases in the proposed budget include the following:

- MTA Supplement \$2,308,100
- Required Contractual Increases \$1,524,500
- Fulton Campus Operating Costs \$1,000,000
- DNA Crime Lab Startup Costs \$500,000
- Chief Information Security Officer \$145,900

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ORDINANCE NO. BL2010-683 (continued)

The proposed budget for the Schools General Purpose Fund is \$633,342,600, which is the full amount requested by the school board. This is an increase of \$12,580,500 over the FY2010 budget. There is also a separate line item in the ordinance appropriating \$606,700 for administrative support for Metro schools, down from \$648,700 in the current budget. \$21,832,700 of the proposed Schools General Purpose Fund budget would come from transfers from the unappropriated fund balance of other budgetary funds, as follows:

- GSD Debt Fund \$15,150,800
- USD Debt Fund \$5,902,400
- USD General Fund \$779,500

The undesignated fund balance of the schools fund is projected to be \$23,000,000 at the end of FY11, or 3.6% of the operational budget. According to state law, this balance must remain above 3%.

The budget ordinance is amendable on third reading.

ORDINANCE NO. BL2010-684 (STEINE) – This ordinance adopts the property tax levy for fiscal year 2010-2011. The Metropolitan Charter requires that the council's next order of business upon adopting the annual operating budget is to adopt a tax levy that fully funds the operating budget. The property tax proposed by the mayor is \$3.56 per \$100 assessed value in the general services district (GSD) and an additional \$0.57 per \$100 assessed value in the urban services district (USD), for a total tax of \$4.13 in the USD. The break down of the tax levy is identical to the fiscal year 2010 tax levy, although the operating budget ordinance would transfer funds from the debt service fund to the general fund and schools fund as a result of the debt restructuring approved by the council on May 18th.

ORDINANCE NO. BL2010-685 (STEINE) – This ordinance, as amended, provides for the regulation of the use and operation of non-taxi vehicles for hire. The Metropolitan Government has regulated taxicab companies and drivers for many years. However, the code defines taxicabs as those vehicles that transport passengers for hire that do not operate on a fixed route. Thus, limousine and shuttle van services that transport passengers on a fixed route are not considered taxis. Although some non-taxi transportation companies have essentially been operating in the same manner as taxis, the lack of a specific ordinance regulating this industry has made enforcement problematic.

This ordinance will require all companies operating non-taxi passenger vehicles for hire, as well as their drivers, to obtain licenses through the Metropolitan transportation licensing commission (MTLC), much in the same manner as taxicab companies and drivers are currently licensed. The ordinance includes three classifications of vehicles and services: livery, shuttle, and special-purpose passenger vehicles for hire. Applicants would be required to designate the category of passenger vehicle for hire service they intend to provide.

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ORDINANCE NO. BL2010-685 (continued)

A description of the three types of vehicles and services is as follows:

1. Livery services are those that operate sedans or SUVs for hire, such as limousine companies. The transportation is to be prearranged either directly with the livery service or through a third party (hotel concierge desk). The fare is to be determined based upon the amount of time the vehicle is in use, not a meter or mileage. The ordinance sets a minimum charge of fifty dollars for livery services.
2. Shuttle services would be limited to those vehicles specifically labeled on the exterior as a shuttle, must use pre-approved routes, and must charge a fare based upon a per-passenger basis, not a meter or mileage.
3. Special-purpose passenger vehicles for hire are all other passenger vehicles for hire that are not considered a livery vehicle, shuttle, taxicab, or horse-drawn carriage. The fare would be determined based upon a pre-determined rate schedule for the proposed destination or by a time usage basis, but not based upon a meter or mileage. These services must be pre-arranged in the same manner as livery services.

The application for a certificate of public convenience, along with a permit fee to be established by the MTLC and approved by resolution of the council, is to be submitted for approval by the commission. The application will contain business and personal information about the applicant including prior experience, references regarding financial responsibility, a background check, driver training procedures, number of vehicle permits requested, and a copy of the prearrangement contract. Applicants will be ineligible for a certificate if any of the owners have been convicted of a felony, or of certain drug or sexual offenses, within the past ten years. Applicants would also be required to provide proof of insurance coverage in the amount of \$1 million for general liability and property damage, and \$1.5 million coverage for automobile liability. After a certificate has been issued, it may be suspended or revoked if the commission finds a violation of the regulations or a failure to pay taxes due to Metro. There is an appeal process for applicants who are denied.

Also mandated by this ordinance is a requirement for a driver's permit to operate a passenger vehicle for hire. The requirements for a driver's permit are similar to those of taxicab drivers. The application must include proof that a driver is at least 21 years old, number of years experience in the industry, educational and criminal background, drug test results, and a valid Tennessee special chauffeur's driver's license. No driver's permit will be issued for any applicant that has been convicted within the past five years of driving offenses involving bodily injury or death or of certain criminal offenses. All applicants for a driver's permit must also undergo a fingerprint criminal background investigation.

This ordinance also requires a permit for each of the passenger vehicles for hire in operation. Each vehicle must be examined by a MTLC inspector to ensure it is safe to operate. A detailed mechanical inspection is required on an annual basis. No vehicle may be more than five years old at the time it begins its service unless it is classified as a vintage limousine or sedan. The ordinance sets forth maximum age and mileage requirements for the different types of vehicles, at which point the vehicle must be taken out of service.

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ORDINANCE NO. BL2010-685 (continued)

Passenger vehicle for hire services that only provide pre-arranged services must present trip tickets in either written or electronic form at least fifteen minutes prior to the time the transportation is to begin. The ordinance also prohibits passenger vehicle for hire services from entering into arrangements with hotels or other third parties for the right to pick up passengers at a particular destination. If a driver violates this requirement, his/her driver's permit is subject to a suspension of up to 12 months for the first violation, and revocation for repeat violations.

The mayor's proposed operating budget includes \$95,800 to hire an additional inspector and office support position to implement this ordinance.

This ordinance has been approved by the transportation and licensing commission.

ORDINANCE NO. BL2010-686 (STEINE) – This ordinance establishes a fee for individuals convicted of driving under the influence who are required to pick up litter as part of their sentence. State law requires that the DUI offenders ordered to pick up litter pay a fee equivalent to the jailer's fee to offset the cost of administering the litter pick up program. The jailer fee, which was set at \$44.00 per day in 1997, is to help cover the cost of incarceration of misdemeanor prisoners. This ordinance formally adopts a litter pick up fee to be paid by the DUI offenders, and provides that the fee is to be divided equally between the fines and forfeitures account of the state trial courts and the sheriff's office.

This ordinance is estimated to generate \$50,000 in increased revenue, which is anticipated as revenue in the mayor's proposed fiscal year 2011 operating budget. Thus, if this ordinance is not enacted, the operating budget will have to be reduced accordingly.

ORDINANCE NO. BL2010-687 (STEINE) – This ordinance amends the Metro Code to create a separate traffic safety school and DUI school. The council enacted legislation in 1999 that created a general sessions court safety center. The purpose of the 1999 legislation was to formalize the structure of the traffic school and DUI school by placing them under the general sessions court. The DUI school was operated by the probate court prior to 1995.

Operation of the DUI school was transferred to the sheriff's department as part of the fiscal year 2010 budget. This ordinance simply codifies the current operation status. The ordinance also authorizes general sessions court to increase the maximum traffic school fee from \$65 to \$90. The fee increase is expected to generate an additional \$484,000, which has been factored into the mayor's proposed fiscal year 2011 budget.

ORDINANCE NO. BL2010-688 (STEINE) – This ordinance adopts the capital improvements budget for 2010-2011 through 2015-2016. The capital improvements budget is a planning document and does not in itself appropriate any money. All capital projects must be provided for in this document before a capital improvement can be approved by the council, except in the case of a public emergency.

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ORDINANCE NO. BL2010-688 (continued)

This budget is amendable on third and final reading. The Charter requires the council to adopt the capital improvements budget not later than June 15th of each year. Once adopted, future amendments to the capital improvements budget must be approved by the planning commission, be recommended by the mayor, and then be adopted by resolution of the council receiving twenty-seven (27) affirmative votes.

ORDINANCE NO. BL2010-689 (RYMAN, STEINE & OTHERS) – This ordinance waives the fees for permits issued by the department of codes administration for property owners that sustained damage as a result of the flooding the first weekend in May. This ordinance will apply retroactively to May 1, 2010, for building, electrical, plumbing, and gas/mechanical permits for a total maximum fee waiver of \$1,300. The fee waiver would apply to any residential or commercial property owner whose property was damaged or destroyed by the winds, rain, and flooding as a result of the storms on May 1st and 2nd. The breakdown for the fee waiver is as follows:

- \$750 – Building permit
- \$150 – Electrical permit
- \$200 – Plumbing permit
- \$200 – Gas/mechanical permit

A \$750 building permit would be the typical permit fee to construct a \$161,500 house.

ORDINANCE NO. BL2010-690 (STEINE & COLE) – This ordinance abolishes the existing convention center commission and approves an interlocal agreement between the Metropolitan Government and the convention center authority for the financial, administrative, and operational services for the existing convention center and for the construction phase of the new center. The Metropolitan convention center commission was created by ordinance in 1985 to operate the convention center located at 601 Commerce Street. This ordinance would repeal the code chapter that provides for the existing convention center commission. Pursuant to this ordinance, the convention center commission would cease to exist on July 1, 2010.

Under the interlocal agreement to be approved by the ordinance, the convention center authority will assume the responsibility for the current center, as well as oversee the construction of the new center. All current employees of the convention center commission will remain employees of the Metropolitan Government under the department of finance, but will be assigned to the convention center authority as contemplated by the state enabling legislation. The finance department will provide all accounting services for the convention center authority and will administer the issuance of bonds on behalf of the authority. The finance department will also provide procurement services upon the request of the authority. The convention center authority agrees to compensate the finance department in the amount of \$175,000 annually for providing these services through the end of the fiscal year in which the construction of the new convention center is completed. The existing fund balance of the convention center commission will be transferred to an account managed by the director of finance for use by the convention center authority.

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ORDINANCE NO. BL2010-690 (continued)

The term of this agreement is from July 1, 2010, through the closeout of the construction of the new convention center, but either party may terminate the agreement upon 60 days written notice. The agreement may be extended for three additional five year terms.

ORDINANCE NO. BL2010-692 (MATTHEWS & MAYNARD) – This ordinance authorizes the director of public property administration to accept an easement for use in the development of the Harpeth River greenway. The easement is to be accepted at no cost to Metro from Ryan C. Gore for property located at 781 Harpeth Bend Drive. Metro agrees to construct a wood privacy fence between the greenway area and Mr. Gore's property. This will be a perpetual easement that can only be terminated through judicial action. This ordinance has been approved by the planning commission and the board of parks and recreation.

ORDINANCE NO. BL2010-693 (JAMESON & HUNT) – This ordinance abandons a portion of Peabody Street from north of the Hermitage Avenue intersection to its terminus. This abandonment has been requested by the Metropolitan development and housing agency. This portion of Peabody Street is no longer needed for government purposes. Metro will retain all easements. This ordinance has been approved by the planning commission and the traffic and parking commission.